

SPECIAL JOINT FIELD MEETING OF THE PLANNING COMMISSION AND ASCC, TOWN OF PORTOLA VALLEY, DECEMBER 3, 2014, 846 PORTOLA ROAD, PORTOLA VALLEY, CA 94028

Chair Gilbert called the special joint field meeting of the Planning Commission and ASCC to order at 4:00 p.m.

Present: Planning Commissioners Alexandra Von Feldt, and Judith Hasko; Vice Chair Nicholas Targ; Chair Denise Gilbert

ASCC Commissioners Jeff Clark, Iris Harrell and Danna Breen; Chair Megan Koch

Absent: Planning Commissioner Nate McKitterick

ASCC Vice Chair David Ross

Staff Present: Debbie Pedro, Planning Director  
Karen Kristiansson, Deputy Town Planner

Others Present: Tom Lodato and Fred Krefetz, Sausal Creek Associates; Carter Warr, Project Architect

Ms. Kristiansson presented the staff report. She mentioned that the property had previously received a conditional use permit and a tentative subdivision map for a project which would have continued the office use of the Hallett Store building, converted the brown cottage to a below market rate housing unit, and built five homes for senior citizens and a shared garage on the back of the property. Because of difficulties the owners have had developing the property under those entitlements, the owners now are looking to develop the lots in as straightforward a manner as possible. Ms. Kristiansson explained that the current proposal is to abandon the previous approvals and simply develop the four existing legal lots, with a lot line adjustment to make the potential development more rational. Further, she noted that all four of the existing lots are less than the minimum lots size for the A-P zoning district, and all four of the proposed lots would be as well. To describe the proposed lot line adjustment, she referred to Sheet A-1.2 showing the current parcel lines, and Sheet A-1.1 showing the proposed parcel lines.

In acting on this type of lot line adjustment where no new parcels are created, Ms. Kristiansson said that the proposal needs to be considered in light of whether it is consistent with zoning and building regulations and requirements for utilities and easements. She noted that the Deputy Building Official had found no conflicts with building regulations, and she was not aware of any issues concerning utilities and easements. In terms of zoning regulations, the written staff report reviewed these in detail and noted two potential issues related to the proposed front parcel: parking and floor area. Parking could likely be addressed through the conditional use permit and zoning permits which would be needed for the front parcel. In terms of floor area, although the floor area in the two existing nonconforming buildings on the front parcel would exceed the allowable floor area ratio, the degree of nonconformity would be less than currently exists. Currently, the floor area ratio on the office parcel is 0.26, which is twice the allowable 0.13 in the A-P district, while the floor area ratio on the narrow parcel is 0.22. With the proposed lot line adjustment, there would only be one parcel on which the floor area would exceed the allowable amount, and its floor area ratio would be 0.25. Looking ahead, one question which will likely arise is whether the approval of this lot line adjustment with the floor area exceeding the limit would indicate that the parcel could continue to have the additional floor area even if the buildings are reconstructed, or whether it would then need to comply with the floor area limit.

Finally, Ms. Kristiansson advised that the main purposes of the field meeting are to view the existing structures and their conditions, as well as the creek, and to hear preliminary comments from the ASCC, as they will not have preliminary consideration of the application at an evening meeting. In response to a question from Chair Gilbert, she said she was not familiar with the utilities issue raised in the 1989 letter by George Mader but would look into it. She said that all new development on the property could connect to sewer in any case.

Carter Warr, project architect, said that the main goal of the owners is to simplify the project. He noted that the parking will likely comply because space dedicated to storage and the like is not counted as floor area. In response to a question from Commissioner Clark, he said that parking is shown on Lot IV for a potential office

use to demonstrate that it could be used for offices, but the decision as to whether it will be used for office or residential use will be made by whoever buys the lot.

The Commissioners then walked the perimeter of the lot to view the creek, the proposed lot areas, and the existing buildings. During the walk, the following facts were shared:

- Under the A-P district zoning, each of the back two residential lots would be able to have a house of approximately 2,200 square feet.
- There are not a lot of trees which would need to be removed, although other vegetation would need to be cleared. All of the vegetation is in the two rear lots which are proposed for residences. There are no trees within the building envelope for one of the residences, and only three trees within the other residential building envelope.
- The white cottages on the rear of the narrow parcel were last occupied about five years ago and are not currently occupied.

ASCC members then shared their comments on this preliminary lot line adjustment proposal. Commissioner Breen said that she thinks the lot line adjustment would make sense, particularly in pulling the buildings in the rear further away from the creek. Her concerns going forward would be related to commercial signage and lighting, and those would likely depend on what the use would be. In terms of landscaping, she would like to see invasive plants removed and the creek cleaned up.

Commissioner Koch agreed that the lot line adjustment proposal makes sense. Given the condition of the existing structures, she wondered if it would be possible to repair them for less than 50% of their value. She also said that for any project on this site, she would like to hear how it would improve the Portola Road Corridor.

Commissioner Harrell noted that the lot line adjustment was a good plan. Since many of the buildings are falling down, she thought it would be better to have them removed. Carter Warr advised that the white buildings would come out as part of this proposal, and the brown cottage would be remodeled to preserve the square footage.

Commissioner Clark said that he was concerned that some creek improvements would likely still be needed, particularly where the creek bends, and that it might not be feasible to develop one or both of the rear parcels without some creek remediation. In response, Carter Warr noted that the problem has been that the water comes out of the concrete pipe under Portola Road very quickly, leading to erosion. The flow has likely slowed due to opening the creek on the Town Center property, and in addition, this proposal would reduce the intensity of use on the back part of the property so that the level of improvements which was previously anticipated would no longer be necessary. He also said that another approach could be to further reduce the development area. Commissioner Clark noted that another change is that the future owner of that parcel would need to deal with the creek rather than the current property owner. He then said that he liked the flexibility at this point of being able to have either office or residential uses on Lot IV. In addition, it was difficult to see how the brown cottage could be rehabilitated. Commissioner Clark noted that he was supportive of the lot line adjustment and agreed that it proposes a good way to have the lots configured.

Commissioner Breen said that she would support removal of both of the existing nonconforming buildings and could see their replacement as an opportunity for a significant improvement along the Portola Road Corridor. Commissioner Harrell noted that the buildings do not have much architectural value. In response to a question from Chair Gilbert, Ms. Kristiansson advised that although the Hallett store building is listed as a historical resource in the General Plan, it has been significantly remodeled over the years and therefore is not recommended for preservation. If the building were removed, its location should, however, be noted with a plaque. Commissioner Clark said that he liked the character of the existing buildings and was not sure that making them comply with current zoning would be a significant improvement.

Commissioner Targ noted that there are very narrow grounds for action by the Planning Commission, and that there would likely be a number of downstream issues which would return to one or both Commissions after any action on the lot line adjustment.

The meeting adjourned at approximately 4:45 p.m.

PLANNING COMMISSION REGULAR MEETING, TOWN OF PORTOLA VALLEY, DECEMBER 3, 2014, SCHOOLHOUSE, TOWN CENTER, 765 PORTOLA ROAD, PORTOLA VALLEY, CA 94028

Chair Gilbert called the Planning Commission regular meeting to order at 7:30 p.m. Ms. Pedro called the roll.

Present: Commissioners Alexandra Von Feldt, Judith Hasko and Nate McKittrick; Vice Chair Nicholas Targ; Chair Denise Gilbert

Absent: None

Staff Present: Debbie Pedro, Planning Director  
Karen Kristiansson, Deputy Town Planner  
Maryann Derwin, Town Council Liaison

ORAL COMMUNICATIONS

None.

REGULAR AGENDA

- (1) Preliminary Review of Plans for Lot Line Adjustments, 846-850 Portola Road, Sausal Creek Associates LLC.

Ms. Kristiansson reviewed the grounds for making a decision on a lot line adjustment where no new lots are created, as set forth in Section 17.12.020 of the municipal code and said that these decisions: "shall be confined to a determination of compliance with zoning regulations, building regulations, and requirements to facilitate the relocation of existing utilities, infrastructure or easements." As was mentioned at the field meeting, the Deputy Building Official found the proposed lot line adjustment to be consistent with building regulations. Ms. Kristiansson said that in terms of infrastructure, the 1989 letter indicated that the septic system crosses parcel lines. If it was still going to be used to serve the existing buildings, the location of the septic system would need to be noted as part of the formal application for the lot line adjustment, and the system would need to be on the same parcel as the building(s) it serves.

In terms of zoning consistency, the issues relate to the front parcel only, on which both of the existing legal nonconforming buildings would be located as well as more floor area than would be permitted in the A-P zoning district. However, as was discussed at the site meeting, two parcels currently do not comply with these standards, and the amount of nonconformity under the proposed lot line adjustment would be less than it is now. In terms of the amount of floor area that would be allowed on the parcel in the future, she noted that the municipal code states in section 18.46.040 that if reconstruction of a nonconforming structure "meets or exceeds 50% of the structure's current appraised value, such structure shall adhere to all current requirements." The Commission could emphasize this as part of any lot line adjustment action by stating that if reconstruction of either of the existing nonconforming structures would exceed 50% of the building's appraised value, the size of the structure would need to be reduced to comply with the floor area limit.

Ms. Kristiansson then summarized the comments that ASCC members had provided at the afternoon field meeting. In general, the ASCC found that the proposed lot line adjustment made sense for the property, particularly because of the reduced amount of development on the rear of the property and the increased creek setback. Several ASCC members said that they believed it would be better to remove the existing nonconforming structure and build a new building, and that could provide an opportunity for improvement. Also, one member raised the question of whether some creek stabilization could be necessary as part of the development of the two residential lots at the back of the site. Ms. Kristiansson summarized the Town Geologist's recommendations, which call for an updated survey of the top of bank for the creek and for geotechnical evaluations to be provided addressing appropriate setbacks and mitigation measures prior to issuance of any site development permits or building permits for the rear parcels. Practically speaking, she said, the Town would likely need those prior to any approvals for a new residence on those parcels.

Tonight's meeting is intended as an opportunity for the Planning Commission to provide preliminary comments so that the applicant can consider those before preparing a formal application. Any formal application would then be reviewed and brought back to the ASCC for comment and the Planning Commission for action.

Carter Warr, the project architect, said that the site meeting had provided a great opportunity to share the plans for the proposed lot line adjustment. He noted that he had also been able to walk Commissioner McKitterick through the proposal quickly before the evening meeting since he could not be at the site meeting. Mr. Warr said that the goal of the project was to simplify the shape and configuration of the lots and improve conformity with Town standards. He said that the project team looked forward to hearing the Commission's comments and eventually receiving approval.

Commissioner McKitterick asked for more information about the existing septic system and requirements for consolidation on the lot with the building it serves. Chair Gilbert noted that it may be possible to slightly adjust the line to accommodate the septic system, depending on where it is located. Ms. Kristiansson said that this is something that needs to be looked into and that staff could work with the applicant to figure out the best way to address it. After some discussion, Mr. Lodato said that they have already paid to bring the sewer by the site and plan to put both of the existing buildings on sewer.

Commissioner Von Feldt said that given the conditions at the site, it seems like it would make sense to address the creek issues sooner rather than later because otherwise the site will continue to erode and property could be lost. It seems like there needs to be more understanding of the creek conditions before setting the building envelopes. Ms. Kristiansson noted that the Town Geologist had recommended that the top of bank be re-surveyed and approved by the Town Geologist and Town Engineer as part of the lot line adjustment process to ensure that the top of bank has not changed since it was last surveyed more than a decade ago. In addition, before any development is approved for individual lots, geotechnical investigations would be conducted to see if any additional erosion control measures or setbacks are needed. Commissioner Von Feldt said that she would like to see a more sustainable approach to any creek improvements on the site, rather than rip-rap or bank hardening, and she thinks this may need to be looked at sooner. Mr. Warr noted that the requested lot line approval is not like the PUD that was previously approved, and they are at this point essentially just redrawing the lot lines to make the parcels make more sense on the property and not trying to figure out what all of the opportunities are. Chair Gilbert asked whether the applicant was then willing to take the risk of negotiating with a potential buyer about potential creek work, and Mr. Warr responded that they were. He said that one lot may not need anything, but the other may need more creek work or may lose some land, and may therefore be worth less. At this point, they are not designing or seeking approval for any buildings, and building envelopes are not part of the recorded document for a lot line adjustment. Instead, there are simply the setbacks established by the zoning ordinance which would apply to the approved lots. Ms. Pedro advised that unless the Commission sees a potential for the creek mitigation work to render one of the lots unbuildable, the need for creek repair work can be evaluated at the site development stage. Commissioner Von Feldt asked what would prevent a purchaser from buying the lot and then being shocked that they have to do some creek improvements. Ms. Pedro responded that this discussion is part of the record, and someone thinking of purchasing the property would hopefully do their due diligence and understand that this is a potential issue. Commissioner Von Feldt noted that creek improvements could be a benefit to the land.

Commissioner Von Feldt then said that other main question seemed to be whether the property would need to come into compliance with the floor area ratio, particularly if the two nonconforming buildings were removed. She said that having more development along the frontage is part of the historical character, and if a use were proposed that would be of benefit to the Town, she would be willing to consider allowing additional floor area. Ms. Kristiansson said that because the application is for a lot line adjustment, the Commission has limited discretion. Floor area adjustments could be accommodated as part of a later conditional use permit process.

Chair Gilbert noted that under the current ordinance, if the cost of reconstruction is greater than 50% of the appraised value, the property should be brought into compliance. If the cottage could not be reconstructed under that provision, the office building would still be nonconforming. She asked whether the property owner would then be required to move the office building back and reduce its size to conform. Ms. Kristiansson responded that the cottage simply could not be rebuilt. Ms. Pedro noted that the larger building would need to comply if it were remodeled. Commissioner McKitterick about the amount of nonconformity in the existing situation. Ms. Kristiansson said that the parcel with the office building currently has a floor area ratio of 0.26, and the narrow

parcel with the brown cottage has a ratio of 0.22. Under the lot line adjustment proposal, the larger front parcel would include both the office building and the brown cottage, and would have a floor area ratio of 0.25. Because only one of the four lots would have nonconforming floor area and the floor area ratio would be less than currently exists on one of the parcels, the level of nonconformity would be less than current conditions.

Commissioner Targ asked whether a permit would be needed for the demolition of the white structures on the property, and whether demolition permits are discretionary or ministerial. Ms. Kristiansson noted that a demolition permit would be needed and the permits are processed by staff as a ministerial action. In this case, the standard conditions would apply. Mr. Warr said that they would expect that the demolition of those buildings, with a demolition permit, to be a condition of approval of the lot line adjustment, as well as abandoning the septic system. Commissioner Targ asked whether the Town can approve a lot line adjustment which results in four nonconforming lots. Ms. Kristiansson advised that she had discussed that question with the Town Attorney at length and the conclusion was that the Town could approve four nonconforming lots in place of four nonconforming lots. Commissioner Targ said that he is comfortable with that conclusion. He then asked whether a lot line adjustment would be a discretionary or a ministerial action in Portola Valley. After some discussion, staff noted that this could be further discussed with the Town Attorney before any final action. Commissioner Targ then asked how the project would be addressed under CEQA, and Ms. Kristiansson noted that there is a categorical exemption for lot line adjustments.

Commissioner Hasko asked for clarification about the 50% standard on reconstruction and whether 25% of the building could be rebuilt. Ms. Kristiansson responded that the municipal code says that if reconstruction of a nonconforming structure exceeds 50% of the structure's appraised value, the structure would have to adhere to all current requirements. As a result, she said, if the cost for repairs was only 25% of the appraised value, the repairs could occur and the building could remain as it is. The intent of that provision is to allow people to repair and maintain legal nonconforming structures, but encourage their replacement when the building is largely being rebuilt. Chair Gilbert noted that in this case, the applicant is running a risk because it does not seem that it could be repaired for less than 50% of its value. She then asked about the recommendation that the Commission clarify the future floor area for the front parcel, and whether that is necessary as part of the lot line adjustment action. Ms. Kristiansson responded that if the Commission does nothing as part of the lot line adjustment, the question of whether either building could be reconstructed could be determined at the time the owner applied to do work on it and would be based on the standard of 50% of the appraised value that is in the code. If this is how the Commission would like to handle that, it should just be clear in the record.

Commissioner Von Fedlt said that in general she sees this proposal as an improvement over the previous approvals, because there would be less development on the site and it would be pulled back further from the creek. Therefore, she is generally supportive of the proposal. The creek issues which she raised earlier would appear to be surmountable. In addition, she would be willing to consider allowing the increased floor area to continue on the front parcel for the right use.

Commissioner McKittrick noted that he would be open to rezoning or taking the most expansive view of development proposed for those front parcels that will serve the town, as he is concerned about the loss of retail uses in the town over the past 16 years. However, he is not sure that he wants to address the floor area question as part of the lot line action.

Commissioner Hasko agreed and said that the lot line adjustment makes a lot of sense and could end up with a really nice result. In terms of the floor area, she would tend to just let it run its course.

Chair Gilbert said that she had originally struggled with the issue that Commissioner Targ raised as to whether it was possible to approve a lot line adjustment with nonconforming parcels. After the site visit and listening to the comments, however, she sees the lot line adjustment as an action which would turn a site which would be difficult to develop into something that could provide a lot of value to the community. There are some issues which will need to be dealt with in moving forward, particularly the floor area and stabilizing the creek. She is generally supportive of the proposal and looks forward to seeing the formal application with the survey of the top of bank.

Chair Gilbert asked whether the applicant had any additional comments or questions.

Mr. Warr responded that many of the stakes of the top of bank from the earlier survey are still visible on the property, and that opening the creek on the Town Center property likely reduced the flow of the creek to this site. At this point, he said, they feel comfortable putting together the rest of the application. Based on the discussion he has heard, he believes that the conditions would likely include connecting the remaining buildings to sewer showing where the utilities would enter and exit the site, and demolishing the white structures. Mr. Warr also said that the applicant hears the Commission's comments regarding the brown cottage and understands clearly that exceeding 50% of the appraised value in repairs could be putting that additional floor area in jeopardy. At least two Commissioners sounded supportive of continuing the level of development on the front parcel and could potentially support that if the proposed uses truly served the town, such as more commercial or service-oriented uses. However, this may not be the time to deal with the floor area question.

Chair Gilbert confirmed that the applicant appeared to have a good understanding of the range of the Commission's comments, and these issues will all be discussed in more detail with the formal application.

#### COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

Ms. Kristiansson advised the Commission that the Portola Road Corridor Plan would be brought back to the Planning Commission at their December 17, 2014 meeting.

Ms. Pedro noted that the neighbors of a proposed house at 40 Antonio were considering appealing the ASCC's approval of the house. If an appeal is filed, the appeal would be brought to the Planning Commission in early 2015.

In response to a question from Commissioner McKitterick, Ms. Pedro said that the property owner of the observatory on Minoca was working with his neighbors to develop landscaping to screen the observatory.

#### Approval of Minutes: November 19, 2014

Commissioner McKitterick moved to approve the minutes of the November 19, 2014 meeting as submitted. Seconded by Commissioner Hasko, the motion carried 5-0.

#### ADJOURNMENT

The Commission adjourned at 8:10 p.m.

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Denise Gilbert, Chair

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Debbie Pedro, Planning Director